

Business Paperless Telefiling System

Instructions

New Jersey Gross Income Tax and Other Employer Payments (Forms NJ-500 Monthly Return and Form NJ-927 Quarterly Return)

Filing Forms NJ-500 and NJ-927 by Phone

Complete the NJ-500/NJ-927 Worksheet, call the Business Paperless Telefiling System at 1-877-829-2866, and select “2” from the menu for the Gross Income Tax and Other Employer Payments Reporting System. You will be prompted to enter the information from your worksheet on your Touch-tone telephone keypad. (NOTE: For best results, do not use a cordless or cellular phone or one with a keypad in the handset.) The system provides step-by-step instructions and repeats your entries to ensure accuracy. When your return is accepted, you will be given a 7-digit Confirmation Number as proof that your return was successfully filed. The telefiling system is available 24 hours a day, seven days a week.

You will be able to file the monthly and quarterly returns (Forms NJ-500/NJ-927) and make the related payments that are currently due, as well as the returns and payments for the three quarters immediately preceding the current quarter. You may be able to file returns or make payments for earlier periods online.

Taxpayers who file Form NJ-927-W cannot file their quarterly returns by phone; they must file online or use a paper form.

Payments. The system automatically calculates the total amount that you owe based on the information that you provide. Payments must be made electronically using either electronic check (e-check), electronic funds transfer (EFT), or credit card. See “How to Pay” on page 2. During your phone call you will have an opportunity to pay the amount due by e-check or EFT debit. You can also pay the amount due outside the telefiling system using a credit card or EFT (debit or credit).

Identification. You will be asked to enter your New Jersey Taxpayer Identification Number and either your 4-digit Personal Identification Number (PIN) or the first four characters of your registered taxpayer name to access the filing system. If you are registered to withhold New Jersey gross income tax and you cannot access the Business Paperless Telefiling System using either your assigned PIN or the first four characters of your registered taxpayer name, call the Division of Taxation’s Customer Service Center at 609-292-6400 during normal business hours for assistance.

Filing Online

You can file Forms NJ-500/NJ-927 or Form NJ-927-W online. Go to www.state.nj.us/treasury/taxation/, choose “File, Pay Online” on the navigation bar, scroll down to “Employer’s Quarterly/Monthly Reports,” select “Form NJ-927/NJ-500” or “NJ-927-W,” and follow the filing instructions.

Who Must File

Every employer maintaining an office or transacting business within this State is required to register in New Jersey, to withhold New Jersey income tax from compensation paid to both resident and nonresident employees working in the State, and to remit the taxes due on a regular basis. Other withholders of

New Jersey gross income tax (payers of pensions and annuities, and payers of gambling winnings) must register with the State and meet the requirements for reporting and remitting the tax withheld.

All employers and other withholders are required to file a quarterly return (Form NJ-927 or NJ-927-W) for each quarter, regardless of the amount of gross income tax actually due for a particular quarter. The quarterly payment does not have to be made at the same time the NJ-927 or NJ-927-W is filed; however, making only the quarterly payment does not satisfy the requirement to file the return. A taxpayer who is not designated a “weekly payer” must file a monthly return (Form NJ-500) for the first and/or second month of a calendar quarter if the amount due for either month is \$500 or more.

An employer or other withholder of New Jersey gross income tax is designated a “weekly payer” if the amount of tax withheld during the prior tax year was \$10,000 or more. Weekly payers are required to remit taxes withheld by EFT based on the frequency of that taxpayer’s payday(s). Weekly payers use Form NJ-927-W to file their quarterly returns and are not required to file Form NJ-500 monthly returns. Weekly payers cannot file their quarterly returns (Form NJ-927-W) by phone; they must file online or use a paper form.

Employers and other withholders must use the approved withholding tables or methods issued by the Division of Taxation in publications NJ-WT, *New Jersey Gross Income Tax Instruction Booklet for Employers, Payors of Pension and Annuity Income and Payors of Gambling Winnings*, and NJ-WT Supplemental, *Supplemental Withholding Tables*, to determine the amount of New Jersey gross income tax to withhold.

Information on Unemployment Insurance, Disability Insurance, Workforce Development, and Health Care Subsidy Fund (UI/DI) contributions, which must also be reported on Form NJ-927, is available from the New Jersey Department of Labor and Workforce Development, Division of Employer Accounts. See “Where to Get Information” on page 4.

The NJ-500/NJ-927 worksheet can be used for any calendar quarter. You will record both your monthly (if required) and quarterly return information on the same worksheet. The worksheet may be reproduced for future use. Copies are also available online or by phone. See “Where to Get Information” on page 4.

When to File

Monthly returns are due by the 15th day of the month following the period covered by the return. For example, a monthly return (Form NJ-500) for the month of November must be filed no later than December 15. Quarterly returns are due by the 30th day of the month following the period covered by the return. For example, a quarterly return (Form NJ-927) for the fourth quarter (ending December 31) must be filed by January 30. If a due date falls on a Saturday, Sunday, or legal holiday, the return is due the next business day. Returns transmitted by 11:59 p.m. on the due date will be deemed timely.

How to Pay

Payments made by 11:59 p.m. on the due date will be deemed timely even if the settlement date (date payment is debited from the account) is after the filing deadline provided the payment is made by e-check or EFT debit through the Business Paperless Telefiling System, or by credit card.

Electronic Check (e-check)

You will be given an opportunity during your telephone call to pay your tax liability by e-check. If you choose to pay by e-check, be sure to enter the 9-digit routing number and the account number (up to 17 characters – numbers only) in the Payment Information section of the worksheet **before** you make your call.

A sample e-check form. The payee is John Smith, Jane Smith, 123 Main Street, Trenton, NJ 08611. The date is 10-01-2009. The amount is \$1234. The routing number is 050000029 and the account number is 000000000000000000. A note says 'Do not include the check number'.

If you choose not to pay the tax due when you file your quarterly return, you can make an e-check payment by itself in a separate call later. However, your quarterly payment must be made by the due date to avoid penalty and interest charges.

Electronic Funds Transfer (EFT)

Taxpayers with a prior year liability of \$10,000 or more in any tax are required to make their payments for all taxes by EFT. Other taxpayers may voluntarily submit payments by EFT with the approval of the Division of Revenue. You must enroll with the Division of Revenue to pay by either EFT debit or credit. The enrollment process may take several weeks. For more information on making payments by EFT debit or credit, call 609-984-9830, write to New Jersey Division of Revenue, EFT Unit, PO Box 191, Trenton, NJ 08646-0191, or visit the Division of Revenue's Web site at www.state.nj.us/treasury/revenue/. Taxpayers who are required to remit payments by EFT can satisfy the EFT requirement by making e-check or credit card payments.

If you are an EFT debit payer, you can initiate payments through the Business Paperless Telefiling System when filing your return. If you choose not to pay the tax due at the same time you file your quarterly return, you can make an EFT debit payment by itself in a separate call later. EFT credit payers must make their gross income tax payments as separate transactions outside the Business Paperless Telefiling System. Your payment must be made by the due date to avoid penalty and interest charges.

Credit Card

To pay your tax liability by credit card, call 1-800-2PAYTAX, toll-free or go to www.officialpayments.com after you have completed your telephone filing and received a Confirmation Number. There is a convenience fee of 2.49% of your liability paid directly to Official Payments Corporation.

Penalties, Interest, and Fees

Failure to file a return by the due date and/or failure to remit any tax due by the due date will result in penalty and interest charges. Anyone required to withhold New Jersey gross income tax does so as a trustee on behalf of the State of New Jersey. Thus, business owners, partners, corporate officers, and some employees of such businesses may be held personally liable for failure to withhold New Jersey gross income tax when required or for failure to file returns and remit any taxes due on a timely basis.

Gross Income Tax Withheld

Late Filing Penalties

5% per month (or fraction thereof) of the balance of tax liability due at original return due date not to exceed 25% of such tax

liability. A penalty of \$100 per month (or fraction thereof) for each month the return is late will also be imposed.

Late Payment Penalty

5% of the balance of the taxes due and paid late.

Interest

The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month (or fraction thereof) on the unpaid balance of the tax from the original due date to the date of payment. At the end of each calendar year any tax, penalties, and interest remaining due will become part of the balance on which interest is charged.

NOTE: The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which the payment was due or as determined by the Director in accordance with N.J.S.A. 54:48-2.

Collection Fees

In addition to the above penalties and interest, if your tax bill is sent to a collection agency, a referral cost recovery fee of 10% of the tax due will be added to your liability. If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection may also be imposed.

UI/DI Contributions

Failure to file a timely quarterly return, Form NJ-927, or to remit any UI/DI contributions due will result in penalty and interest charges. For specific information, contact the New Jersey Department of Labor and Workforce Development, Division of Employer Accounts. See "Where to Get Information" on page 4.

Instructions for Telefile Worksheet

Identification

New Jersey Taxpayer Identification Number. Enter your 12-digit New Jersey Taxpayer Identification Number. If your ID number begins with the letters "NJ," enter "6," "5," and the remaining 10 digits. (NOTE: If you do not enter your ID number correctly, you will not be able to file.)

PIN/Taxpayer Name. Enter your 4-digit PIN (Personal Identification Number) or the first four characters of your registered taxpayer name. If you are entering your registered taxpayer name, use only letters and numbers. Omit symbols and spaces. (NOTE: If you do not enter your PIN or the first four characters of your registered taxpayer name correctly, you will not be able to file.)

Contact Phone Number. Enter the area code and phone number of a contact person for the taxpayer.

Tax Preparer's Identification Number. If the return is being filed by a tax preparer, enter the preparer's 9-digit Federal identification number or social security number. This information will be requested during the signature portion of the phone call.

Return Information

FORM NJ-500 — MONTHLY RETURN

Complete this section if you are filing a monthly return for the first or second month of the quarter. Employers that are not classified as weekly payers are to use Form NJ-500, Monthly Return of Gross Income Tax Withheld, and remit the tax due on a monthly basis whenever the tax due in either of the first two months of a calendar quarter is \$500 or more. Tax due for the third month of the quarter is remitted with the quarterly return, Form NJ-927. When tax due for either of the first two months of the quarter is less than \$500, that tax may be held and

remitted with the quarterly return. If you are filing a quarterly return, go to "Form NJ-927 — Quarterly Return" below.

There are two monthly return sections on the worksheet; one for the first month of the quarter and one for the second month of the quarter. Complete the section that corresponds to the month for which you are filing.

Line 1 – Period Covered by Return. Enter the two-digit number of the month (e.g., "01" for January, "02" for February) covered by the return in the boxes provided. Enter the four-digit year in which the month fell in the boxes to the right of the month.

Line 2 – Payment Amount. Enter the amount of gross income tax withheld that you are paying for the month. You may need to adjust the amount of your payment if:

- You had an overpayment on your quarterly return for the previous quarter and requested that the credit be applied to your next return.
- You need to correct an error made on another monthly return for this quarter that resulted in either an overpayment or an underpayment.

NOTE: A monthly return cannot be filed by phone if the amount due is less than one dollar. Monthly payments of less than one dollar must be included with your quarterly return.

FORM NJ-927 — QUARTERLY RETURN

Complete this section if you are filing for the third month of the quarter. A quarterly return must be filed even if no wages were paid and no tax was withheld during the quarter.

Line 1 – Period Covered by Return. Enter the number that reflects the calendar quarter covered by the return (e.g., "1" for the first quarter, "2" for the second quarter, etc.). Enter the four-digit year in which the quarter fell in the boxes to the right of the quarter.

Line 2 – Total Wages Paid Subject to UI, DI, WF & HC. Enter on Line 2 the total of all wages paid during the three-month reporting period covered by the return that are subject to Unemployment Insurance, Disability Insurance, Workforce Development, and Health Care Subsidy Fund contributions, without deductions. If you paid no wages for the quarter, enter "0." More information on wages that are subject to UI/DI contributions is available from the Department of Labor and Workforce Development, Division of Employer Accounts. See "Where to Get Information" on page 4.

Line 3 – Taxable Wage Base. The maximum amount of wages on which an employer must make UI, DI, WF & HC contributions for each employee changes annually. The system will provide the maximum taxable amount *per employee* for the calendar year for which you are filing. Enter the amount stated on Line 3.

Line 4 – Total Wages Paid in Excess of Taxable Wage Base. Enter on Line 4 the total amount of wages paid in this quarter that was in excess of the taxable wage base amount for the calendar year for each employee as stated at Line 3. If you had more than one employee, enter the total amount of excess wages for all employees. If you paid no wages in excess of the taxable wage base amount, enter "0." For example: the taxable wage base for the year is \$24,000. If you employed two workers for the entire year and paid wages of \$5,000 per month to employee A and \$3,500 per month to employee B, excess wages will be \$0 for the first quarter, \$6,000 for the second quarter, \$22,500 for the third quarter, and \$25,500 for the fourth quarter.

Line 5 – Taxable Wages Subject to UI, WF & HC. The system will calculate the amount of taxable wages subject to Unemployment Insurance, Workforce Development, and Health Care Subsidy Fund contributions and provide the amount to you. Enter the amount stated on Line 5.

Line 6 – Taxable Wages Subject to DI (Combination Plan). If you have an approved Combination Plan for Disability Insurance, enter the portion of the taxable wages stated at Line 5 that was paid only to those employees who were covered under the State Plan for Disability Insurance. If no employees were covered under the State Plan, enter "0."

If you do not have a Combination Plan for Disability Insurance, enter "0."

Line 7 – Taxable Wages Subject to DI. The system will provide the amount of taxable wages that are subject to Disability Insurance contributions. Enter the amount stated on Line 7.

Line 8 – UI, WF & HC Rate. The system will provide your Unemployment Insurance, Workforce Development, and Health Care Subsidy Fund rate for the period. Enter the rate stated on Line 8. More information about this rate is available from the Department of Labor and Workforce Development, Division of Employer Accounts. See "Where to Get Information" on page 4.

Line 9 – Total UI, WF & HC Contributions Due. The system will calculate the amount of Unemployment Insurance, Workforce Development, and Health Care Subsidy Fund contributions due by multiplying the taxable wages on Line 5 by your UI, WF & HC contributions rate for the period and will provide the amount due to you. Enter the amount stated on Line 9.

Line 10 – DI Rate. The system will provide your Disability Insurance rate for the period. Enter the rate stated on Line 10. **NOTE:** If the amount on Line 7 is "0," the system will automatically skip this line. More information about this rate is available from the Department of Labor and Workforce Development, Division of Employer Accounts. See "Where to Get Information" on page 4.

Line 11 – Total DI Contributions Due. The system will calculate the amount of Disability Insurance contributions due by multiplying the taxable wages on Line 7 by your disability insurance rate for the period and will provide the amount due to you. Enter the amount stated on Line 11.

Line 12 – Gross Income Tax Withheld. For each month of the quarter, enter the total amount of gross income tax withheld from: wages; certain payments made through an accident or health insurance plan, unless specifically excluded; pension, annuity and other retirement account payments; and gambling winnings. If you withheld no tax for a month, enter "0" for that month.

Line 13 – Total Gross Income Tax Withheld for the Quarter. The system will calculate the total amount of gross income tax withheld for the quarter and provide the amount to you. Enter the amount stated on Line 13.

Line 14 – Total Liability. The system will calculate your total liability for gross income tax withheld and UI, WF, HC, and DI contributions and provide this amount to you. Enter the amount stated on Line 14.

Line 15 – Total Payments and Credits. Enter on Line 15 the total amount of any payments and credits, including electronic funds transfers, that you have already made for the quarter.

Line 16 – Overpayment Amount. If Line 15 is greater than Line 14, the system will calculate the amount of overpayment. Enter the amount stated on Line 16. Indicate whether you would like the overpayment amount credited to the next month or refunded to you.

Line 17 – Balance Due. If Line 15 is less than Line 14, the system will calculate the total amount due for the quarter and provide the amount to you. Enter the amount stated on Line 17. If you have a balance due, you must pay by e-check, credit card, or EFT. See “How to Pay” on page 2. You are not required to submit your payment on the same date as your telephone call, however, your payment must be made by the due date to avoid penalty and interest charges.

Line 18 – Number of Workers Employed. For each month of the quarter, enter the number of workers who worked or received compensation during the payroll period that includes the 12th day of the month. If you employed no workers, enter “0” for the month. Do not include those workers on pension, those in the Armed Forces, and those on leave of any kind without pay.

Line 19 – Number of Workers Insured Under Private Plan for Disability Insurance. Enter the number of workers who worked or received compensation during the payroll period that includes the 12th day of the *third month* of the quarter and who were insured during that same payroll period under an approved Private Plan for Disability Insurance. If no workers were insured under an approved Private Plan for Disability Insurance during that period, enter “0.”

NOTE: The system will automatically skip this step if you have a State Plan for Disability Insurance or if you entered “0” workers for the third month of the quarter at Line 18.

Payment Information

If you wish to pay by e-check, enter on the worksheet the 9-digit bank routing number, the account number (omit hyphens, spaces, symbols, and letters), the type of account, and the date you want the payment to be debited from your account. If you are paying by EFT debit during your phone call, enter only the account type and the payment debit date. The earliest date you may select is the next business day. However, payment transactions initiated by 11:59 p.m. on the due date will be deemed timely even if the settlement date (date payment is debited from the account) is after the filing deadline.

You can also pay by credit card or EFT (debit or credit) after you have completed your telephone filing and received a Confirmation Number. See “How to Pay” on page 2.

Signature and Confirmation

Signature. You are required to affirm and sign your return by agreeing to the following statement and then providing a voice signature: “Subject to the penalties of perjury, I hereby certify that this return, to the best of my knowledge and belief, is a true and correct statement.” Your return cannot be processed without this affirmation or a signature. Tax preparers filing on behalf of clients will also be required to enter their own tax identification number.

Confirmation Number. After you sign your return, stay on the line until the system assigns you a 7-digit Confirmation Number. This number serves as proof that your return was successfully filed. Enter the number and the date you filed your return in the boxes on the worksheet for the appropriate period along with the name of the person who “signed” the return. **Your return is not filed until you receive a Confirmation Number.**

Your Confirmation Number is your only proof that your return was successfully filed. Enter it on your worksheet, and keep the worksheet for your business files for four years in case of audit. **Do not mail it to the Division of Taxation.**

If you file your quarterly return in one phone call, but make your quarterly payment by e-check or EFT debit in a separate call to the Business Paperless Telefiling System, you will receive a separate Confirmation Number for the payment transaction.

Amended Returns

Errors on monthly returns (Forms NJ-500) are to be adjusted on the quarterly return (Form NJ-927) for that quarter. Errors on quarterly returns must be corrected by filing an amended return. If you filed your quarterly return by phone, file an amended return through the Business Paperless Telefiling System or by completing a paper Form NJ-927. Be sure to indicate “AMENDED” in bold letters on the paper return. Report the correct amounts in all fields of the return, not just the fields that are being changed. Do not indicate just the difference between what was originally reported and the correct amount. To obtain Form NJ-927, call the Division of Revenue’s Client Registration Activity at 609-292-1730.

Where to Get Information By Phone

Division of Taxation

Customer Service Center: **609-292-6400**

Representatives are available from 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

Department of Labor and Workforce Development

Employer Accounts Hotline: **609-633-6400**

Representatives are available from 8:00 a.m. to 4:00 p.m., Monday through Friday (except holidays).

Online

Division of Taxation

Web site: **www.state.nj.us/treasury/taxation/**

E-mail: **nj.taxation@treas.state.nj.us**

Department of Labor and Workforce Development, Division of Employer Accounts

Web site: **www.state.nj.us/labor/ea/eaindex.html**

Order Forms and Publications

To obtain copies of the NJ-500/NJ-927 Worksheet and Instructions, as well as other Division of Taxation tax forms and publications:

- Call the Forms Request System from a Touch-tone phone at **1-800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (anywhere).
- Call NJ TaxFax at **609-826-4500** from your fax machine’s phone.
- Visit the Division of Taxation’s Web site: **www.state.nj.us/treasury/taxation/**

In Person

Visit a New Jersey Division of Taxation Regional Office. For the address of the office nearest you, call the Automated Tax Information System from a Touch-tone phone at **1-800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (anywhere) or visit our Web site.